

RABUN COUNTY, GEORGIA

AUDITED FINANCIAL STATEMENTS

For the Year Ended June 30, 2010

RABUN COUNTY, GEORGIA
June 30, 2010

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September 30, 2010

Independent Auditor's Report

**Honorable Chairman and
Members of the Board of Commissioners
Rabun County, Georgia**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Rabun County's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the Rabun County Health Department, a nonmajor component unit, as of and for the year then ended June 30, 2010. These statements reflect total assets of \$616,596 as of June 30, 2010 and total revenues of \$787,237, for the year ended June 30, 2010. These financial statements of the Health Department were audited by another auditor whose reports have been furnished to me and my opinion on the basic financial statements, insofar as it relates to the amounts included for the Rabun County Health Department in the component unit column, is based solely on the reports of the other auditor.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the reports of other auditors provide a reasonable basis for my opinions.

In my opinion, based on my audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated September 30, 2010, on my consideration of the Government's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rabun County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds are presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Wayne Showen
Certified Public Accountant

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Rabun County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2010. Management's discussion and analysis (MD&A) focuses on current year activities and resulting changes, please read it in conjunction with the County's financial statements.

The following is a presentation of a discussion and analysis of the County's financial condition and performance for the year ended June 30, 2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Rabun County's basic financial statements. Rabun County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. (Pages 9-10) The government-wide financial statements provide a broad overview of Rabun County finances in a manner similar to that of private-sector businesses. The statements include:

Statement of net assets presents the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the change in net assets is an indicator of the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

Statement of activities presents the revenues and expenses of the County. The difference between these is the change in net assets for the year.

Both of the government-wide financial statements identify the various functions of Rabun County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Rabun County, Georgia, include general government, judicial, health and welfare, public safety, public works, recreation and culture, and housing and development. The business-type activities of Rabun County, Georgia are its Solid Waste and Recycling operations, a Waste Water Facility, and the Rabun County Golf Course.

Government-wide financial statements. The government-wide financial statements include not only Rabun County, Georgia itself (known as the primary government), but also legally separate component units (Library, Health Department, Economic Development Authority and Building Authority) for which Rabun County, Georgia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

Fund Financial Statements. (Pages 11-19) A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and SPLOST #4 and #5, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found on **pages 11-15** of this report.

Proprietary funds. (Pages 16-18) The County maintains three proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for its solid waste operation, its waste water facility, as well as the Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste and waste water operations, which are major funds of the County. Although the Golf Course is not a major fund of the County, it is listed separately as it is the only nonmajor fund.

Fiduciary Funds. (Page 19) Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used in the government-wide financial statements.

Notes to the financial statements. (Pages 22-42) The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's schedule of budgetary comparisons on **pages 44-46**. Combining and individual fund statements and schedules can be found on **pages 48-51** of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Rabun County, on an entity-wide basis, had an increase in net assets during FY 2010 of \$2.59 million, of which \$2.38 million was in governmental activities and \$.21 million in the business-type activities. At June 30, 2010 the County had \$47.39 million invested in capital assets, net of debt and accumulated depreciation and \$13.42 million of unrestricted assets (the bulk of which is in cash, investments and accounts receivable). The table below shows the split of net assets between governmental and business-type activities for both FY 2010 and FY 2009.

RABUN COUNTY, GEORGIA'S NET ASSETS

June 30, 2010

(\$ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash and investments	\$ 20,600	\$ 20,534	\$ 292	\$ 106	\$ 20,892	\$ 20,640
Other assets	2,099	1,858	32	29	2,131	1,887
Capital assets	49,654	48,800	4,324	3,864	53,978	52,664
Total assets	<u>72,353</u>	<u>71,192</u>	<u>4,648</u>	<u>3,999</u>	<u>77,001</u>	<u>75,191</u>
Other liabilities	2,162	1,727	488	322	2,650	2,049
Long Term Debt						
Due in More Than One Year	7,234	8,892	6,307	6,034	13,541	14,926
Total liabilities	<u>9,396</u>	<u>10,619</u>	<u>6,795</u>	<u>6,356</u>	<u>16,191</u>	<u>16,975</u>
Net assets:						
Invested in capital assets, net of debt	43,067	41,185	4,324	3,865	47,391	45,050
Unrestricted (deficit)	19,890	19,388	(6,471)	(6,222)	13,419	13,166
Total net assets	<u>\$ 62,957</u>	<u>\$ 60,573</u>	<u>\$ (2,147)</u>	<u>\$ (2,357)</u>	<u>\$ 60,810</u>	<u>\$ 58,216</u>

RABUN COUNTY GEORGIA'S CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2010

(\$ in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
REVENUES						
Program revenues						
Charges for services	\$ 2,278	\$ 2,231	\$ 632	\$ 425	\$ 2,910	\$ 2,656
Operating grants and contributions	615	772	25	-	640	772
Capital grants and contributions	-	54	-	-	-	54
General revenues						
Taxes	18,037	18,835	-	-	18,037	18,835
Interest	180	562	2	2	182	564
Other	73	438	-	-	73	438
Total revenues	<u>21,183</u>	<u>22,892</u>	<u>659</u>	<u>427</u>	<u>21,842</u>	<u>23,319</u>
EXPENSES						
Program Expenses:						
Governmental Activities	3,470	3,463	-	-	3,470	3,463
Judicial	950	982	-	-	950	982
Public Health and Welfare	1,036	911	-	-	1,036	911
Public Safety	7,009	6,709	-	-	7,009	6,709
Public Works	3,315	4,468	-	-	3,315	4,468
Recreation and Culture	1,051	1,059	-	-	1,051	1,059
Housing and Development	417	388	-	-	417	388
Interest and paying agent fees	325	402	-	-	325	402
Solid Waste	-	-	1,077	1,310	1,077	1,310
Waste Water Facility	-	-	450	270	450	270
Golf Course	-	-	235	-	235	-
Total expenses	<u>17,573</u>	<u>18,382</u>	<u>1,762</u>	<u>1,580</u>	<u>19,335</u>	<u>19,962</u>
Excess (Deficiency) before						
Transfers	3,610	4,510	(1,103)	(1,153)	2,507	3,357
Transfers (Out) In	<u>(1,226)</u>	<u>(1,664)</u>	<u>1,226</u>	<u>1,664</u>	<u>-</u>	<u>-</u>
Increase in net assets	2,384	2,846	123	511	2,507	3,357
Net assets (Defecit), Beginning	60,573	57,567	(2,272)	(2,868)	58,301	54,699
Prior Period Adjustment	-	160	2	-	2	160
Net assets (Deficit), Ending	<u>\$ 62,957</u>	<u>\$ 60,573</u>	<u>\$ (2,147)</u>	<u>\$ (2,357)</u>	<u>\$ 60,810</u>	<u>\$ 58,216</u>

Total government-wide revenue for FY 2010 was \$21.84 million with \$18.04 million in taxes, \$.64 million in grants and contributions, \$.18 million in investment earnings, \$2.91 million in charges for services and other revenue for \$.07 million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements.

Governmental revenues went down \$1.78 million from FY 2009. Taxes decreased \$.90 million and there was a decrease in investment earnings as well of approximately \$.38 million.

Tax revenues consisted of almost \$18 million, of which \$3.13 million came from local SPLOST revenue in the governmental funds.

Expenditures in the governmental funds were \$20.09 million of which approximately \$2.89 million went toward the purchase or construction of capital assets.

There was a \$1.12 million decrease in governmental expenditures.

Proprietary fund. The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Revenues in business type activities was approximately \$632,000 which was a increase of approximately \$207,000 from the previous year. The increase was attributed to revenues from the Waste-Water Fund and the Golf Course.

Expenses in business-type activities was \$1,650,000, thus creating the need for supplemental income (transfer) from the General Fund. The General Fund transferred to the Solid Waste Fund approximately \$920,000, the Waste Water Facility \$200,000, and \$106,000 to the Golf Course during FY 2010.

CAPITAL ASSETS & LONG TERM DEBT

Rabun County's Government-wide investment in capital assets at June 30, 2010 was \$53.98 million, net of \$28.77 million in accumulated depreciation. The investment, which includes land, buildings, roads, bridges, machinery and equipment, park facilities and vehicles, is covered in Note 5. Government-wide capital additions in FY 2010 were approximately \$3.59 million.

Major capital asset activity in 2010 was:

The County completed the renovations pertaining to the security of the Courthouse. The renovations for the old Health department were also completed to house the Tax Assessor's Office, Tax Commissioner's Office, The Marshal's office, Planning and Zoning offices along with the Elections Office. Moving these departments allowed for the court related departments to have more room in the Courthouse. In addition to this, it allows the Board of Elections & Voters Registration to be housed next door to the Civic Center where all precincts have been combined and will vote. Rabun County also implemented a new E911 System that allows us to receive additional revenues by charging a fee on all wireless phones.

Rabun County's long term debt had a net decrease of over \$1.31 million.

Please see the Notes to Financial Statements for additional information on capital assets and long-term liability.

ECONOMIC FACTORS AND THE 2011 BUDGET

The economy in the County seems to be steady; for example, the un-employment rate in the County is in line with the State average. The County will adhere to strict budget controls for FY 2011.

Funding for the operations of the County come from three primary sources: taxes, charges for services and fines. Although the digest dropped significantly due to GA Power appealing their utility values, Rabun County has been able to maintain current services without an increase in the millage rate and without using fund balance to balance the 2011 budget by cutting expenses in various departments. In addition to this, Rabun County purchased the Clayton Police Department Building to allow expansion necessary for our public safety functions. Rabun County also purchased the Golf Course from the City of Clayton.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Rabun County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Clerk to the Commission at 25 Courthouse Square, Suite 201 Clayton, GA 30525.

RABUN COUNTY, GEORGIA
June 30, 2010

BASIC FINANCIAL
STATEMENTS

RABUN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$20,484,143	\$ 291,862	\$20,776,005	\$ 1,335,417
Investments	116,135	-	116,135	25,005
Receivables(net of allowance for uncollectibles)	1,322,015	31,687	1,353,702	37,295
Net Pension Asset	721,761	-	721,761	-
Bond Issue Costs (net of amortization)	48,903	-	48,903	-
Loan Closing Costs (net of amortization)	5,357	-	5,357	-
Capital Assets:				
Land and Improvements	1,690,996	734,212	2,425,208	275,750
Buildings and Improvements	25,760,286	697,302	26,457,588	-
Waste-Water Facility	-	2,503,593	2,503,593	-
Machinery and Equipment	3,883,109	843,772	4,726,881	197,104
Vehicles	6,810,842	288,445	7,099,287	-
Infrastructure	38,280,661	-	38,280,661	-
Construction in Progress	1,256,255	-	1,256,255	-
Other Non-Depreciable Asset	-	-	-	26,349
Books and Collections	-	-	-	882,896
Accumulated Depreciation	(28,027,708)	(743,237)	(28,770,945)	(878,193)
Capital Assets, Net of Depreciation	49,654,441	4,324,087	53,978,528	503,906
Total Assets	72,352,755	4,647,636	77,000,391	1,901,623
LIABILITIES				
Accounts Payable	844,225	51,754	895,979	13,312
Other Accrued Payables	-	252,836	252,836	-
Noncurrent Liabilities				
Due within one year				
Compensated Absences	360,202	40,573	400,775	26,959
Revenue Bonds	307,615	-	307,615	-
Notes Payable	618,933	-	618,933	-
Capital Lease Payable	31,075	-	31,075	-
Landfill Closure/Postclosure Costs	-	142,752	142,752	-
Due in more than one year				
General Obligation Bonds	5,800,000	-	5,800,000	-
Revenue Bonds	399,775	-	399,775	-
Notes Payable	985,613	2,750,700	3,736,313	-
Capital Lease Payable	48,636	-	48,636	-
Landfill Closure/Postclosure Costs	-	3,555,808	3,555,808	-
Total Liabilities	9,396,074	6,794,423	16,190,497	40,271
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	43,067,340	4,324,087	47,391,427	503,906
Unrestricted	19,889,341	(6,470,874)	13,418,467	1,357,446
Total Net Assets	\$62,956,681	\$ (2,146,787)	\$60,809,894	\$ 1,861,352

Accompanying notes to financial statements are an integral part of this statement

**RABUN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
JUNE 30, 2010**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges For Services	Operating		Primary Government		Total	
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
FUNCTIONS/PROGRAMS								
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES								
General Government	\$ 3,470,168	\$ 240,696	\$ 194,959	\$ -	\$ (3,034,513)	\$ -	\$ (3,034,513)	
Judicial	950,265	437,525	68,846	-	(443,894)	-	(443,894)	
Public Health and Welfare	1,035,695	-	73,655	-	(962,040)	-	(962,040)	
Public Safety	7,009,552	1,442,400	166,367	-	(5,400,785)	-	(5,400,785)	
Public Works	3,314,997	-	-	-	(3,314,997)	-	(3,314,997)	
Recreation and Culture	1,051,216	157,792	-	-	(893,424)	-	(893,424)	
Housing and Development	417,204	-	111,581	-	(305,623)	-	(305,623)	
Interest and paying agent fees	324,777	-	-	-	(324,777)	-	(324,777)	
Total Governmental Activities	17,573,874	2,278,413	615,408	-	(14,680,053)	-	(14,680,053)	
BUSINESS-TYPE ACTIVITIES								
Solid Waste	1,077,117	365,076	-	-	-	(712,041)	(712,041)	
Waste Water Facility	450,149	169,612	-	-	-	(280,537)	(280,537)	
Golf Course	235,102	97,314	25,000	-	-	(112,788)	(112,788)	
Total Business-type Activities	1,762,368	632,002	25,000	-	-	(1,105,366)	(1,105,366)	
Total Primary Government	\$ 19,336,242	\$ 2,910,415	\$ 640,408	\$ -	\$ (14,680,053)	\$ -	\$ (15,785,419)	
COMPONENT UNITS								
Total Nonmajor Component Units	\$ 1,182,999	\$ 360,877	\$ 847,234	\$ 44,523			\$ 69,635	
General Revenues								
Property Taxes					14,188,850	-	14,188,850	-
Sales Taxes					3,125,364	-	3,125,364	-
Other Taxes					722,295	-	722,295	-
Investment Earnings					180,103	1,791	181,894	13,236
Miscellaneous					72,902	-	72,902	14,911
Total General Revenues					18,289,514	1,791	18,291,305	28,147
Special Items					-	-	-	410
Transfers					(1,226,067)	1,226,067	-	-
Total General Revenues and Transfers					17,063,447	1,227,858	18,291,305	28,557
Change in Net Assets					2,383,394	122,492	2,505,886	98,192
NET ASSETS, Beginning					60,573,287	(2,271,684)	58,301,603	1,763,160
Prior Period Adjustments					-	2,405	2,405	-
NET ASSETS, Ending					\$ 62,956,681	\$ (2,146,787)	\$ 60,809,894	\$ 1,861,352

**RABUN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>General</u>	<u>SPLOST#4</u>	<u>SPLOST#5</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 11,344,503	\$ 1,755,532	\$ 6,622,531	\$ 761,577	\$ 20,484,143
Investments	102,489	-	13,646	-	116,135
Receivables (net of allowance for uncollectibles)	715,742	-	522,777	83,496	1,322,015
Total Assets	<u>\$ 12,162,734</u>	<u>\$ 1,755,532</u>	<u>\$ 7,158,954</u>	<u>\$ 845,073</u>	<u>\$ 21,922,293</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 777,692	\$ -	\$ 66,533	\$ -	\$ 844,225
Deferred Revenue	204,569	-	-	-	204,569
Total Liabilities	<u>982,261</u>	<u>-</u>	<u>66,533</u>	<u>-</u>	<u>1,048,794</u>
Fund Balances					
Reserved:					
Self Insurance	1,533	-	-	-	1,533
Capital Projects	251,003	-	-	-	251,003
Unreserved, reported in:					
General Fund	10,927,937	-	-	-	10,927,937
Special Revenue Funds	-	-	-	845,073	845,073
Capital Project Funds	-	1,755,532	7,092,421	-	8,847,953
Total Fund Balances	<u>11,180,473</u>	<u>1,755,532</u>	<u>7,092,421</u>	<u>845,073</u>	<u>20,873,499</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,162,734</u>	<u>\$ 1,755,532</u>	<u>\$ 7,158,954</u>	<u>\$ 845,073</u>	<u>\$ 21,922,293</u>

RABUN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total fund balances for governmental funds	\$	20,873,499
Total net assets reported for governmental activities in the statement of net assets are different because:		
Net Pension Asset is not recorded on the fund financial statements.		721,761
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. However, in the statement of net assets the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of Capital Assets	\$ 77,682,149	
Less accumulated depreciation	<u>(28,027,708)</u>	49,654,441
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property Taxes		204,569
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(5,800,000)	
Revenue bonds	(707,390)	
Notes payable	(1,604,546)	
Lease payable	(79,711)	
Compensated absences	<u>(360,202)</u>	(8,551,849)
Other assets used in the governmental activities that are not financial resources and therefore are not reported in the funds.		
Bond issue costs		48,903
Loan closing costs		<u>5,357</u>
Net assets of governmental activities	\$	<u>62,956,681</u>

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>General</u>	<u>SPLOST#4</u>	<u>SPLOST#5</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
REVENUES					
Taxes	\$ 14,775,103	\$ -	\$ 3,125,364	\$ 47,497	\$ 17,947,964
Licenses and Permits	48,308	-	-	-	48,308
Intergovernmental	534,996	-	-	80,412	615,408
Fines and Forfeitures	412,525	-	-	25,000	437,525
Charges for Services	1,429,737	-	-	362,844	1,792,581
Investment Earnings	99,962	17,647	55,830	6,664	180,103
Miscellaneous	72,902	-	-	-	72,902
Total Revenues	<u>17,373,533</u>	<u>17,647</u>	<u>3,181,194</u>	<u>522,417</u>	<u>21,094,791</u>
EXPENDITURES					
Current Expenditures					
General Government	3,967,832	-	-	-	3,967,832
Judicial	929,347	-	-	20,518	949,865
Public Health and Welfare	968,996	-	-	-	968,996
Public Safety	6,130,743	-	-	869,539	7,000,282
Public Works	1,936,373	-	-	-	1,936,373
Recreation and Culture	896,654	-	-	-	896,654
Housing and Development	370,635	-	-	47,497	418,132
Intergovernmental	-	-	406,721	-	406,721
Capital Outlay	-	742,854	860,056	-	1,602,910
Debt Service					
Principal	620,074	-	997,145	-	1,617,219
Interest and Paying Agent Fees	95,678	-	229,099	-	324,777
Total Expenditures	<u>15,916,332</u>	<u>742,854</u>	<u>2,493,021</u>	<u>937,554</u>	<u>20,089,761</u>
Excess (deficiency) of Revenues Over Expenditures	<u>1,457,201</u>	<u>(725,207)</u>	<u>688,173</u>	<u>(415,137)</u>	<u>1,005,030</u>
OTHER FINANCING SOURCES(USES)					
Transfers in	-	-	-	585,638	585,638
Transfers (out)	(1,811,705)	-	-	-	(1,811,705)
Total Other Financing Sources (Uses)	<u>(1,811,705)</u>	<u>-</u>	<u>-</u>	<u>585,638</u>	<u>(1,226,067)</u>
Net Change in Fund Balances	(354,504)	(725,207)	688,173	170,501	(221,037)
FUND BALANCES, Beginning of year	11,534,977	2,480,739	6,404,248	674,572	21,094,536
FUND BALANCES, End of year	<u>\$ 11,180,473</u>	<u>\$ 1,755,532</u>	<u>\$ 7,092,421</u>	<u>\$ 845,073</u>	<u>\$ 20,873,499</u>

Accompanying notes to financial statements are an integral part of this statement

**RABUN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Net Changes in Fund Balances - Total Governmental Funds **\$ (221,037)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures, however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This difference is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital Outlay	\$ 2,893,030	
Depreciation expense	<u>(2,029,633)</u>	863,397

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes:		
Deferred @ 06/30/2010	204,569	
Deferred @ 06/30/2009	<u>(116,028)</u>	88,541

In the statement of activities, only the gain/loss on the sale of various equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the equipment sold.

Net book value of assets sold		(8,695)
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The current year addition to the net pension asset creates a balance sheet item while reducing net expenses of pensionable functions on the government-wide statements.

Net Pension Asset @ 6/30/2010	721,761	
Net Pension Asset @ 6/30/2009	<u>(643,875)</u>	77,886

Compensated Absences are reported in the Statement of Activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Liability @ 06/30/2010	(360,202)	
Liability @ 06/30/2009	<u>347,632</u>	<u>(12,570)</u>

Total carried forward to next page:		<u>\$ 787,522</u>
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**RABUN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Total brought forward from previous page: \$ 787,522

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Capital Lease Retirement		30,037
Bond Principal Retirement		997,145
Note Principal Retirement		590,037

Issuance Costs of debt are amortized over the life of the instrument. These are reported in the Statement of Activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Loan Closing Costs @ 6/30/2010	5,357		
Loan Closing Costs @ 6/30/2009	<u>(7,500)</u>		(2,143)
Bond Issue Costs @ 06/30/2010	48,903		
Bond Issue Costs @ 06/30/2009	<u>(68,107)</u>		<u>(19,204)</u>

Change in Net Assets of Governmental Activities \$ 2,383,394

RABUN COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	<u>Solid Waste</u>	<u>Waste-Water Facility</u>	<u>Golf Course</u>	<u>Total Proprietary Funds</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 50	\$ 290,885	\$ 927	\$ 291,862
Receivables (Net of Allowance for Uncollectibles)	31,687	-	-	31,687
Total Current Assets	<u>31,737</u>	<u>290,885</u>	<u>927</u>	<u>323,549</u>
Noncurrent Assets:				
Capital Assets:				
Land and Improvements	541,432	172,980	19,800	734,212
Buildings and Improvements	577,300	-	120,002	697,302
Waste-Water Facility	-	2,503,593	-	2,503,593
Machinery and Equipment	712,855	-	130,917	843,772
Vehicles	279,246	9,199	-	288,445
Accumulated Depreciation	<u>(563,155)</u>	<u>(2,760)</u>	<u>(177,322)</u>	<u>(743,237)</u>
Total Non-Current Assets	<u>1,547,678</u>	<u>2,683,012</u>	<u>93,397</u>	<u>4,324,087</u>
TOTAL ASSETS	<u>1,579,415</u>	<u>2,973,897</u>	<u>94,324</u>	<u>4,647,636</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	51,754	-	-	51,754
Other Accrued Payables	20,761	226,485	5,590	252,836
Compensated Absences	25,414	7,879	7,280	40,573
Closure/Post Closure Care	142,752	-	-	142,752
Total Current Liabilities	<u>240,681</u>	<u>234,364</u>	<u>12,870</u>	<u>487,915</u>
Noncurrent Liabilities:				
Closure/Post Closure Care	3,555,808	-	-	3,555,808
Notes Payable	-	2,750,700	-	2,750,700
Total Noncurrent Liabilities	<u>3,555,808</u>	<u>2,750,700</u>	<u>-</u>	<u>6,306,508</u>
Total Liabilities	<u>3,796,489</u>	<u>2,985,064</u>	<u>12,870</u>	<u>6,794,423</u>
NET ASSETS				
Invested in Capital Assets	1,547,678	2,683,012	93,397	4,324,087
Unrestricted (Deficit)	<u>(3,764,752)</u>	<u>(2,694,179)</u>	<u>(11,943)</u>	<u>(6,470,874)</u>
Total Net Assets (Deficit)	<u>\$ (2,217,074)</u>	<u>\$ (11,167)</u>	<u>\$ 81,454</u>	<u>\$ (2,146,787)</u>

RABUN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Solid Waste</u>	<u>Waste-Water Facility</u>	<u>Golf Course</u>	<u>Total Proprietary Funds</u>
Operating Revenues				
Charges for Services	\$ 242,177	\$ 169,612	\$ 97,314	\$ 509,103
Other Revenue - Recycling	122,899	-	-	122,899
Total Operating Revenues	<u>365,076</u>	<u>169,612</u>	<u>97,314</u>	<u>632,002</u>
Operating Expenses				
Personal Services	617,258	104,942	137,797	859,997
Purchased/Contracted Services	299,623	143,557	46,942	490,122
Supplies and Other	98,011	87,901	38,402	224,314
Depreciation	62,225	1,840	11,961	76,026
Total Operating Expenses	<u>1,077,117</u>	<u>338,240</u>	<u>235,102</u>	<u>1,650,459</u>
Operating Income (Loss)	<u>(712,041)</u>	<u>(168,628)</u>	<u>(137,788)</u>	<u>(1,018,457)</u>
Nonoperating Revenue (Expenses)				
Interest Income	-	1,407	384	1,791
Interest Expense	-	(111,909)	-	(111,909)
Operating Grants	-	-	25,000	25,000
Total Nonoperating (Expenses)	<u>-</u>	<u>(110,502)</u>	<u>25,384</u>	<u>(85,118)</u>
Income (Loss) before Transfers	<u>(712,041)</u>	<u>(279,130)</u>	<u>(112,404)</u>	<u>(1,103,575)</u>
Transfers In	<u>920,067</u>	<u>200,000</u>	<u>106,000</u>	<u>1,226,067</u>
Change in Net Assets	208,026	(79,130)	(6,404)	122,492
Prior Period Adjustment	-	-	2,405	2,405
NET ASSETS (Deficit), Beginning of Year	<u>(2,425,100)</u>	<u>67,963</u>	<u>85,453</u>	<u>(2,271,684)</u>
NET ASSETS (Deficit), End of Year	<u>\$ (2,217,074)</u>	<u>\$ (11,167)</u>	<u>\$ 81,454</u>	<u>\$ (2,146,787)</u>

Accompanying notes to financial statements are an integral part of this statement

RABUN COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Solid Waste	Waste-Water Facility	Golf Course	Total Proprietary Funds
Cash Flows From Operating Activities:				
Receipts from customers	\$ 362,312	\$ 169,612	\$ 97,314	\$ 629,238
Payments to Vendors and Other Suppliers	(370,724)	(119,548)	(79,754)	(570,026)
Purchased/Contracted Services	(126,220)	-	-	(126,220)
Payments to Employees	(616,046)	(95,702)	(130,517)	(842,265)
Net Cash Used in Operating Activities	<u>(750,678)</u>	<u>(45,638)</u>	<u>(112,957)</u>	<u>(909,273)</u>
Cash Flows From Non-Capital Financing Activities				
Transfers in	920,067	200,000	106,000	1,226,067
Operating Grants	-	-	25,000	25,000
Net Cash Provided by Non-Capital Financing Activities	<u>920,067</u>	<u>200,000</u>	<u>131,000</u>	<u>1,251,067</u>
Cash Flows From Capital Activities				
Acquisition and Construction of Capital Assets	(169,389)	(260,975)	(24,985)	(455,349)
Proceeds from Loans	-	402,184	-	402,184
Interest Paid	-	(111,909)	-	(111,909)
Net Cash Provided by (Used in) Capital and related Financing Activities	<u>(169,389)</u>	<u>29,300</u>	<u>(24,985)</u>	<u>(165,074)</u>
Cash Flows From Investing Activities				
Interest on Investments	-	1,407	384	1,791
Net Increase (Decrease) in Cash and Cash Equivalents	-	185,069	(6,558)	178,511
Prior Period Adjustment	-	-	2,405	2,405
CASH, Beginning of Year	50	105,816	5,080	110,946
CASH, End of Year	<u>\$ 50</u>	<u>\$ 290,885</u>	<u>\$ 927</u>	<u>\$ 291,862</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities:				
Operating Loss	\$ (712,041)	\$ (168,628)	\$ (137,788)	\$ (1,018,457)
Adjustments to Reconcile Operating Loss to Net Cash Flows from Operating Activities:				
Depreciation	62,225	1,840	11,961	76,026
Change In:				
Accounts Receivable	(2,764)	-	-	(2,764)
Accounts Payable	7,326	-	5,590	12,916
Other Accrued Items	20,796	121,150	7,280	149,226
Landfill Closure/Post Closure Care	(126,220)	-	-	(126,220)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (750,678)</u>	<u>\$ (45,638)</u>	<u>\$ (112,957)</u>	<u>\$ (909,273)</u>

RABUN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Funds Total</u>
ASSETS	
Cash	\$ 708,919
Taxes Receivable	<u>2,003,338</u>
 TOTAL ASSETS	 <u>\$ 2,712,257</u>
LIABILITIES	
Due to Others	<u>\$ 2,712,257</u>
 TOTAL LIABILITIES	 <u>\$ 2,712,257</u>

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2010

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	TOTAL
ASSETS					
Cash	\$ 56,989	\$ 593,102	\$ 679,820	\$ 5,506	\$ 1,335,417
Investments	15,004	-	10,001	-	25,005
Receivables(net of allowance for uncollectibles)	-	22,295	15,000	-	37,295
Capital assets:					
Land	-	-	275,750	-	275,750
Machinery and Equipment	191,109	5,995	-	-	197,104
Books and Collections	882,896	-	-	-	882,896
Other Non-Depreciable Asset	-	-	26,349	-	26,349
Less Accumulated Depreciation	(873,397)	(4,796)	-	-	(878,193)
Capital Assets, Net of Depreciation	200,608	1,199	302,099	-	503,906
TOTAL ASSETS	272,601	616,596	1,006,920	5,506	1,901,623
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	13,312	-	-	13,312
Noncurrent liabilities:					
Due within one year	-	26,959	-	-	26,959
Compensated Absences	-	40,271	-	-	40,271
TOTAL LIABILITIES					
NET ASSETS					
Invested in Capital Assets	200,608	1,199	302,099	-	503,906
Unrestricted	71,993	575,126	704,821	5,506	1,357,446
TOTAL NET ASSETS	\$ 272,601	\$ 576,325	\$ 1,006,920	\$ 5,506	\$ 1,861,352

Accompanying notes to financial statements are an integral part of this statement

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
JUNE 30, 2010

	Rabun County Library	Rabun County Health Department	Rabun County Economic Development Authority	Rabun County Building Authority	TOTAL
EXPENSES					
General Government	\$ 359,079	\$ -	\$ 82,307	\$ -	\$ 441,386
Health and Welfare	-	741,613	-	-	741,613
TOTAL EXPENSES	359,079	741,613	82,307	-	1,182,999
PROGRAM REVENUES					
Charges for Services	20,447	340,430	-	-	360,877
Operating Grants and Contributions	283,838	431,896	131,500	-	847,234
Capital Grants and Contributions	44,523	-	-	-	44,523
TOTAL PROGRAM REVENUES	348,808	772,326	131,500	-	1,252,634
NET (EXPENSES) REVENUES	(10,271)	30,713	49,193	-	69,635
GENERAL REVENUES					
Interest	350	-	12,836	50	13,236
Miscellaneous and Other	-	14,911	-	-	14,911
TOTAL GENERAL REVENUES	350	14,911	12,836	50	28,147
Special Items	-	410	-	-	410
CHANGE IN NET ASSETS	(9,921)	46,034	62,029	50	98,192
NET ASSETS, Beginning of year	282,522	530,291	944,891	5,456	1,763,160
NET ASSETS, End of year	\$ 272,601	\$ 576,325	\$ 1,006,920	\$ 5,506	\$ 1,861,352

Accompanying notes to financial statements are an integral part of this statement

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Rabun County, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

(A) REPORTING ENTITY

The government is a political subdivision of the State of Georgia governed by an elected five member commission. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government. Additionally, each individual component unit is presented on pages 20-21. The following entities are component units of Rabun County:

Rabun County Library

The Rabun County Library is a member of the Northeast Georgia Regional Library System which also includes Habersham, Stephens and White Counties. The system is governed by the Regional Board of Trustees. Each affiliated County has a County Board of Trustees. Rabun County Library's Board of Trustees is appointed by the Board of Commissioners of Rabun County. One to four representatives from each County member comprise the Regional Board of Trustees. Rabun County also has the ability to impose its will on the Library's Board of Trustees as the County primarily funds the Library and approves its budget.

Rabun County Health Department

The Rabun County Health Department was constituted and operated in accordance with the Georgia Health Code 88-2, Georgia Law 1964. The Health Department provides a number of health services including but not limited to, child care, family planning, hypertension screening and monitoring, prenatal care and other services. The District Health Director is the Executive Officer of the Rabun County Health Department and is responsible for the overall coordination of the local health activities.

The Rabun County Health Department is funded by the State and County under the Grant-in-Aid provisions and operates under the supervision of the local Board of Health.

**RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rabun County Economic Development Authority

The Rabun County Economic Development Authority was created by an act of the Georgia Assembly on March 19, 1992. The purpose of the Authority is to provide for the economic development of Rabun County; to promote for the public good and general welfare infrastructure, trade, commerce, business, industry, research, training support services, eleemosynary institutions and employment opportunities. The Authority is governed by a Board; the majority of which is appointed by the Rabun County Board of Commissioners. The County also funds the operation of the Authority when funds are required.

Rabun County Building Authority

On March 30, 1994, the Rabun County Building Authority was created by an act of the Georgia Assembly (HB No. 2011). The "Act" authorizes "the Authority" to acquire, construct, and equip self-liquidating projects, including, but not limited to, buildings, sanitary and surface water sewers, streets, roads and public facilities of every nature, type and character, for use by Rabun County for its governmental, proprietary, public, and administrative functions. Rabun County is granted the right and power by proper resolution of its governing authority to sell or lease to the Authority lands and buildings owned by it, to borrow money for any of its corporate purposes, to issue revenue bonds payable solely from funds pledged for that purpose and to provide for the payment of the same for the rights of the holders thereof, among other provisions of the "Act". The Authority is governed by a five member Board of Directors all of whom are appointed for three year terms by the Rabun County Board of Commissioners.

Complete financial statements of the above component units may be obtained from the administrative offices at the following locations:

RABUN COUNTY LIBRARY

73 Jo Dotson Circle
P.O. Box 330
Clayton, GA 30525

**THE RABUN COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

P.O. Box 750
Clayton, GA 30525

RABUN COUNTY HEALTH DEPARTMENT

184 South Main Street
Clayton, GA 30525

RABUN COUNTY BUILDING AUTHORITY

25 Courthouse Square, Suite 201
Clayton, GA 30525

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual proprietary funds are reported as separate columns in the fund financial statements.

(C) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, sales tax, franchise taxes, fines, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST Capital Projects Fund #4 and #5* accounts for funds received from a local 1% sales tax reserved for construction of various capital projects.

The government reports the following major proprietary funds:

The *Solid Waste* accounts for the activities of the County's solid waste disposal and recycling programs. It is accounted for on the accrual basis of accounting.

The *Waste Water Facility* accounts for the County's waste water and treatment facility. This proprietary fund is accounted for on the accrual basis of accounting.

The government reports the following nonmajor proprietary fund:

The *Golf Course* accounts for the operations of the County owned golf facility. The Golf Course was purchased on July 1, 2009. See Note 17 for additional information on the purchase.

Additionally, the government reports the following fund types:

The *Agency Funds (Fiduciary Funds)* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. If there is a conflict with GASB pronouncements, then GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary fund are charges to customers for sales and services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resources as they are needed.

(D) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies, instrumentalities and political subdivisions, certificates of deposits of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool. Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines a participant's shares sold and redeemed based on \$1.00 per share.

Investments are recorded at cost as of the balance sheet date.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances." As of June 30, 2010, there are no outstanding internal balances.

All trade and property tax receivables are shown net of an allowance of uncollectibles. Trade accounts receivable has no recorded allowance for doubtful accounts as bad debts are written off directly against receivables.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes were levied July 31, 2009. Taxes for the 2009 digest year were payable on December 20, 2009, with an enforceable lien date as of December 21, 2009. Interest of 1% per month is assessed on taxes not paid by this date. A penalty of 10% is assessed on taxes paid after March 20, 2010.

The County bills and collects its own property taxes and also those for the School Board and the State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general fund.

3. Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale were considered immaterial and thus no accounting was made as of June 30, 2010. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for goods that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which goods are consumed.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of one year. Infrastructure such as roads, bridges and culverts are defined by the County as projects with an individual cost greater than \$50,000. Such assets are recorded at historical cost or estimated historical cost if actual cost is not known. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Capital Assets (Continued)

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30-80
Waste-Water Facility	80
Machinery and Equipment	15-30
Vehicles	10-30
Infrastructure	40-50

5. Accrued Personal and Sick Leave

It is the government's policy to permit employees to accumulate earned but unused personal and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the government-wide statements.

6. Lease

In the government-wide financial statements, lease debt is reported as a liability in the applicable governmental activities statement of net assets.

7. Long-Term Obligations

In the government-wide statement of net assets, long-term debt and other long term obligations are reported as liabilities. Bond issuance and loan closing costs are deferred and amortized over the life of the debt instrument using the straight line method. The liability (payable) is reported separately from the associated issue costs. Unamortized bond issue cost at June 30,2010 equaled \$48,903 with 3 years of amortization remaining. Loan closing costs of \$15,000 associated with the refinancing of the Tax Anticipation Notes is amortized over 7 years. This is the fifth year of amortization with \$2,143 being amortized and 2½ years remaining leaving a balance as of June 30, 2010 of \$5,357.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations, if any, of fund balance represent tentative management plans that are subject to change.

**RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, special revenue funds and capital projects funds. An annual operating budget is prepared for the proprietary funds for planning, control, cost allocation and evaluation purposes. Budgetary amounts are formally integrated into proprietary fund's general ledger.

The County follows these procedures in establishing the budgetary data reflected in the budgetary schedules.

In the beginning of the budget process, all departments and applicable component units of the government submit requests for appropriation to the government's administrator so that a budget may be prepared. The budget is prepared by fund, function and activity and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Increases in appropriations for a department require the approval of the Board of Commissioners. The legal level of budgetary control is at the department level within individual funds.

Then the proposed budget is presented to the government's Board of Commissioners for review. The government's Board of Commissioners hold public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the government's administrator or the revenue estimates must be changed by an affirmative vote of a majority of the government's Board of Commissioners.

During the year the Commissioners authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain character and functional expenditures.

The budgetary comparison schedule is presented for the General Fund at the legal level of control. Material excesses (if both over 1 percent and greater than \$3,000) of expenditures over the budget at the object level within departments are as follows:

Department

Excess over Budget

There were no departments that exceeded the amended budget appropriations for the FY 2010:

(B) DEFICIT FUND EQUITIES (NONMAJOR FUNDS)

No individual nonmajor funds reported deficit fund balances at the fund reporting level at June 30, 2010.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 3- DEPOSITS AND INVESTMENTS

Deposits - as of June 30, 2010, the carrying amount of the County's deposits for the County and discretely presented component units, was \$21,601,059 and \$1,360,422 respectively. The amount of the total bank balance is classified into three categories of credit risk: (1) deposits that are insured or collateralized with securities held by the County or by its agent in the County's name, (2) deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name and (3) uncollateralized bank accounts. At June 30, 2010, all deposits of the County were adequately insured or collateralized.

The County's deposits are displayed as follows:

Balances per statement of net assets:

	Rabun Co. Government Carrying Amount	Discretely Presented Component Units Carrying Amount	Total
Cash	\$ 20,776,005	\$ 1,335,417	\$ 22,111,422
Investments	116,135	25,005	141,140

Balances per statement of fiduciary net assets:

Cash, agency funds	708,919	-	708,919
Total	<u>\$ 21,601,059</u>	<u>\$ 1,360,422</u>	<u>\$ 22,961,481</u>

Cash deposited with financial institutions	\$ 22,820,064
Petty cash	277
Investments:	
Cash deposited with Georgia Fund 1	13,647
Cash deposited with Stephens Federal Bank	102,489
Cash deposited with Regions Bank	15,004
Investment in Banks, Habersham & Rabun Joint Development Authority	10,000
Total	<u>\$ 22,961,481</u>

Statutes require collateral pledged in the amount of 110% of deposits.

Credit Risk

State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the United States government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2010, the investments in the Georgia Fund 1 was rated AAAM by Standard & Poor's. The investments held in Stephens Federal Bank and Regions Bank were not currently rated by Standard & Poor's.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 3- DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2010, the County had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Primary Government:			
Georgia Fund 1	46 day weighted average	AAAm	\$ 13,647
Certificates of Deposits-Stephens Federal Bank	12 months	N/A	102,489
			<u>\$ 116,136</u>
Component Units:			
Certificates of Deposits-Regions Bank	942 days	N/A	<u>\$ 15,004</u>
Investment in Banks, Habersham and Rabun Joint Development Authority	N/A	N/A	<u>\$ 10,000</u>

Interest rate risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk - deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At June 30, 2010, all deposits of the County were adequately insured or collateralized.

NOTE 4 - RECEIVABLES

Receivables as of year end for the County's individual major funds and nonmajor governmental funds are as follows:

	<u>General Fund</u>	<u>SPLOST #5</u>	<u>Solid Waste</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:					
Property Taxes	\$ 439,030	\$ -	\$ -	\$ -	\$ 439,030
Accounts	350,497	-	31,687	82,532	464,716
Intergovernmental	-	522,777	-	964	523,741
Total Gross Receivables	<u>789,527</u>	<u>522,777</u>	<u>31,687</u>	<u>83,496</u>	<u>1,427,487</u>
Less: Allowance for Uncollectibles	<u>(73,785)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,785)</u>
Total Net Receivables	<u>\$ 715,742</u>	<u>\$ 522,777</u>	<u>\$ 31,687</u>	<u>\$ 83,496</u>	<u>\$ 1,353,702</u>

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Primary Government:				
Governmental Activities:				
Non-Depreciable Assets:				
Land and Improvements	\$ 1,615,996	\$ 75,000	\$ -	\$ 1,690,996
Construction in Progress	1,096,970	851,556	(692,271)	1,256,255
Total Non-Depreciable Capital Assets	<u>2,712,966</u>	<u>926,556</u>	<u>(692,271)</u>	<u>2,947,251</u>
Depreciable Assets:				
Buildings and Improvements	24,760,137	1,000,149	-	25,760,286
Machinery and Equipment	3,574,918	352,141	(43,950)	3,883,109
Vehicles	6,480,188	368,923	(38,269)	6,810,842
Infrastructure	37,343,129	937,532	-	38,280,661
Total Depreciable Capital Assets	<u>72,158,372</u>	<u>2,658,745</u>	<u>(82,219)</u>	<u>74,734,898</u>
Less Accumulated Depreciation				
Buildings and Improvements	(4,056,871)	(474,671)	-	(4,531,542)
Machinery and Equipment	(1,175,643)	(232,095)	38,375	(1,369,363)
Vehicles	(2,597,813)	(418,552)	35,149	(2,981,216)
Infrastructure	(18,241,272)	(904,315)	-	(19,145,587)
Total Accumulated Depreciation	<u>(26,071,599)</u>	<u>(2,029,633)</u>	<u>73,524</u>	<u>(28,027,708)</u>
Total Depreciable Capital Assets, Net	<u>46,086,773</u>	<u>629,112</u>	<u>(8,695)</u>	<u>46,707,190</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,799,739</u>	<u>\$ 1,555,668</u>	<u>\$ (700,966)</u>	<u>\$ 49,654,441</u>
	Beginning Balance	Additions	Retirements	Ending Balance
Business-type Activities:				
Non-Depreciable Assets:				
Land and Improvements	\$ 714,412	\$ 19,800	\$ -	\$ 734,212
Depreciable Assets:				
Buildings and Improvements	577,300	120,002	-	697,302
Waste-Water Facility	2,242,618	260,975	-	2,503,593
Machinery and Equipment	553,466	300,306	(10,000)	843,772
Vehicles	288,445	-	-	288,445
Total Depreciable Capital Assets	<u>3,661,829</u>	<u>681,283</u>	<u>(10,000)</u>	<u>4,333,112</u>
Less Accumulated Depreciation				
Buildings and Improvements	(181,883)	(87,414)	-	(269,297)
Waste-Water Facility	-	-	-	-
Machinery and Equipment	(268,339)	(136,099)	10,000	(394,438)
Vehicles	(61,628)	(17,874)	-	(79,502)
Total Accumulated Depreciation	<u>(511,850)</u>	<u>(241,387)</u>	<u>10,000</u>	<u>(743,237)</u>
Total Depreciable Capital Assets, Net	<u>3,149,979</u>	<u>439,896</u>	<u>-</u>	<u>3,589,875</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,864,391</u>	<u>\$ 459,696</u>	<u>\$ -</u>	<u>\$ 4,324,087</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General Government		\$ 140,181
Public Health and Welfare		65,841
Public Safety		607,771
Public Works		1,067,656
Recreation and Culture		148,184
Total Depreciation Expense-Governmental Activities		<u>\$ 2,029,633</u>
Business-type Activities:		
Solid Waste		\$ 62,225
Waste-Water Facility		1,840
Golf Course		11,961
Accumulated Depreciation for Golf Course at Purchase Date		165,361
Total Depreciation Expense-Business-type Activities		<u>\$ 241,387</u>

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

Activity for the Health Department for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable Assets:				
Machinery and Equipment	\$ 5,995	\$ -	\$ -	\$ 5,995
Less Accumulated Depreciation - Machinery and Equip.	(4,196)	(600)	-	(4,796)
Capital Assets, Net	<u>\$ 1,799</u>	<u>\$ (600)</u>	<u>\$ -</u>	<u>\$ 1,199</u>

Activity for the Library for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, not being Depreciated				
Furniture and Equipment	\$ 11,963			\$ 11,963
Depreciable Assets:				
Machinery and Equipment	175,830	3,316	-	179,146
Books and Collections	869,876	37,632	(24,612)	882,896
Total Depreciable Capital Assets	<u>1,045,706</u>	<u>40,948</u>	<u>(24,612)</u>	<u>1,062,042</u>
Less Accumulated Depreciation				
Machinery and Equipment	(109,822)	(6,629)	-	(116,451)
Books and Collections	(735,460)	(46,098)	24,612	(756,946)
Total Accumulated Depreciation	<u>(845,282)</u>	<u>(52,727)</u>	<u>24,612</u>	<u>(873,397)</u>
Depreciable Capital Assets, Net	<u>200,424</u>	<u>(11,779)</u>	<u>-</u>	<u>188,645</u>
Total Capital Assets, Net	<u>\$ 212,387</u>	<u>\$ (11,779)</u>	<u>\$ -</u>	<u>\$ 200,608</u>

Activity for the Rabun County Economic Development Authority for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, not being Depreciated				
Land	\$ 275,750	\$ -	\$ -	\$ 275,750
Other Non-Depreciable Asset	26,349	-	-	26,349
Total Non-Depreciable Assets	<u>\$ 302,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,099</u>

The Rabun County Building Authority did not have any capital assets for the year ended June 30, 2010.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG TERM DEBT

General Obligation Bonds- In prior years the County issued general obligation bonds to provide funds to pay, or to be applied or contributed toward, the cost of constructing, improving, expanding and extending public roads, highways, streets and related facilities as well as the construction, improvement and expansion of various municipal buildings.

General obligation bonds are direct obligations of the County and are payable from the levy of an ad valorem tax, without limitation as to rate or amount, levied on all taxable property, including all real property, within the County subject to taxation for general obligation bond purposes. The County has obligations from two bond issues outstanding as of the year end; a Series 2007 and a Series 2008.

On April 27, 2007, a Series 2007 bond was delivered to the County with an original principal value of \$3.475 million. The bond has interest payable semiannually on June 1 and December 1 of each year at a rate of 3.53% per annum. A payment toward principal of \$700,000 was made on December 1, 2009. The remaining principal amount of the bond is due at maturity on December 1, 2011. Bonds outstanding at June 30, 2010 are shown below.

Rabun County issued a Series 2008 bond that was delivered on January 25, 2008 with an original principal value of \$3.025 million. The bond matures on December 1, 2012 and December 1, 2013 with principal amounts due of \$1,480,000 and \$1,545,000 respectively. Interest of 2.80% will be payable every six months starting June 1, 2008. Bonds outstanding at June 30, 2010 are shown below.

Series 2007

Period Ending	Principal	Interest	Total
December-10	\$ -	\$ 48,979	\$ 48,979
June-11	-	48,979	48,979
December-11	2,775,000	48,979	2,823,979
Total	<u>\$ 2,775,000</u>	<u>\$ 146,937</u>	<u>\$ 2,921,937</u>

Series 2008

Period Ending	Principal	Interest	Total
December-10	\$ -	\$ 42,350	\$ 42,350
June-11	-	42,350	42,350
December-11	-	42,350	42,350
June-12	-	42,350	42,350
December-12	1,480,000	42,350	1,522,350
June-13	-	21,630	21,630
December-13	1,545,000	21,630	1,566,630
Total	<u>\$ 3,025,000</u>	<u>\$ 255,010</u>	<u>\$ 3,280,010</u>

CHANGES IN BOND OBLIGATIONS

Bond activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2007	\$ 3,475,000	\$ -	\$ (700,000)	\$ 2,775,000	\$ -
Series 2008	3,025,000	-	-	3,025,000	-
Total Bond Obligation	<u>\$ 6,500,000</u>	<u>\$ -</u>	<u>\$ (700,000)</u>	<u>\$ 5,800,000</u>	<u>\$ -</u>

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG TERM DEBT (CONTINUED)

CHANGES IN OTHER LONG TERM DEBT

Other long term debt activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Promissory Note	\$ 2,194,583	\$ -	\$ (590,037)	\$ 1,604,546	\$ 618,933
Compensated Absences	347,632	12,570	-	360,202	360,202
Capital Leases	109,748	-	(30,037)	79,711	31,075
Total Long-Term Liabilities	<u>\$ 2,651,963</u>	<u>\$ 12,570</u>	<u>\$ (620,074)</u>	<u>\$ 2,044,459</u>	<u>\$ 1,010,210</u>

Long-term obligations of the County's governmental funds will be financed either through future General Fund expendable available financial resources as they become due or SPLOST resources as required by resolution. The compensated absences liability in the governmental activities will be paid from the General Fund while the compensated absences liability in the business-type activities will be paid from the solid waste fund.

The Tax Anticipation Notes were short term notes used to finance the sale of the Rabun County Hospital. These TAN's were subsequently refinanced on December 15, 2005 with a 7 year promissory note with an original principal due of \$4,051,000. The promissory note is payable in 54 equal payments of \$56,863 to the Rabun County Bank, Clayton, Georgia. Fiscal year 2011 principal due is \$618,933. Total interest at a 4.725% rate is being paid over the life of the promissory note. Outstanding balances are as follows:

7-Year Promissory Note

Period Ending	Principal	Interest	Total
June 30, 2011	\$ 618,933	\$ 63,421	\$ 682,354
June 30, 2012	649,169	33,185	682,354
June 30, 2013	336,444	4,733	341,177
Total	<u>\$ 1,604,546</u>	<u>\$ 101,339</u>	<u>\$ 1,705,885</u>

Capital Lease - The County is obligated under a lease which is accounted for as a capital lease. The leased assets consist of vehicles and equipment. Assets under a capital lease totaled \$405,200 as of June 30, 2010, and accumulated depreciation on those assets totaled \$30,390. During FY 2009, the County entered into a 4 year lease agreement in the amount of \$124,388 at a 3.4% annual interest rate with BancorpSouth Equipment Finance in order to obtain two motorgraders to be used in the road department. Monies from the General Fund were used to pay the liability of the capital lease. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments as of June 30, 2010:

Year Ending	
<u>June 30</u>	
FY 2011	\$ 33,398
FY 2012	33,398
FY 2013	<u>16,699</u>
Minimum Lease Payments	83,495
Less: Amount representing interest at the County's incremental borrowing rate of interest	<u>(3,784)</u>
Present Value of Minimum Lease Payments	<u>\$ 79,711</u>

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Compensated Absences	\$ 25,379	\$ 15,194	\$ -	\$ 40,573	\$ 40,573
Notes Payable	2,348,517	402,183	-	2,750,700	-
Landfill closure/post closure	3,824,780	-	(126,220)	3,698,560	142,752
Total Long-Term Liabilities	<u>\$ 6,198,676</u>	<u>\$ 417,377</u>	<u>\$ (126,220)</u>	<u>\$ 6,489,833</u>	<u>\$ 183,325</u>

On January 29, 2008, Rabun County Georgia entered into an agreement with the Georgia Environmental Facilities Authority (GEFA) to borrow up to \$6,415,000. The money will be used to purchase an existing water supply and wastewater treatment facility located on the former Rabun Apparel manufacturing site. The project also consists of rehabilitation and conversion of these existing facilities, a new water treatment plant, new pipe lines, and appurtenant work such that these facilities will provide regional, municipal water supply and wastewater services. The project has a tentative completion date of December 31, 2011.

The GEFA Note will be payable in 239 consecutive monthly installments commencing on the earlier of the project completion date or December 31, 2011. Until this time, no payments are due and interest of 4.1% per annum will accrue. As of June 30, 2010, the total principal drawn against the note amounted to \$2,750,700 and interest of \$222,811 has been accrued. At completion, principal and accrued interest will be amortized over the 239 monthly installments.

Landfill Closure/Post Closure Care Costs - On October 8, 1993 in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20), the County was issued a closure certificate for its landfill. It is estimated that monitoring activities will be necessary for thirty years after the date of closure. The current year amortization of the post closure monitoring costs is \$138,594 with an unamortized balance as of June 30, 2010 of \$2,655,036 which is based on 100% of the landfill capacity used to date. All estimated liability for these costs have been recognized since the landfill is no longer used. The estimated post closure costs are subject to adjustments due to changes in inflation, technology, or applicable laws or regulations.

In addition, a new C&D Landfill was opened during the fiscal year ended June 30, 2000. The estimated closure costs are \$156,648 and the estimated post closure care costs are \$886,876. The total estimated closure and post closure care costs of \$1,043,524 are being amortized over 30 years. This liability is based on landfill capacity used to date of 48% with an estimated remaining life of 28 years.

COMPONENT UNITS

Changes in General Long - Term Liabilities - During the year June 30, 2010, the following changes occurred in liabilities reported in long-term debt of the Rabun County Health Department:

	2009 Balance	Additions	Reductions	2010 Balance	Due Within One Year
Compensated Absences	<u>\$ 34,532</u>	<u>\$ 31,583</u>	<u>\$ (39,156)</u>	<u>\$ 26,959</u>	<u>\$ 26,959</u>

Compensated absences of the Rabun County Health Department are liquidated by the Rabun County Health Department.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 6 - LONG TERM DEBT (CONTINUED)

The activity of the Series 2007 Rabun County Building Authority Revenue Bonds as of June 30, 2010 is as follows:

	2009		2010	Due Within
	Balance	Additions	Reductions	Balance
Series 2007 Revenue Bonds	<u>\$ 1,004,535</u>	<u>\$ -</u>	<u>\$ (297,145)</u>	<u>\$ 707,390</u>
				<u>\$ 307,615</u>

On February 13, 2007, Rabun County Building Authority, issued the Series 2007 Rabun County Building Authority Revenue Bonds. The bonds have an original principal amount of \$1.5 million and will be retired with 20 quarterly payments of \$82,122 each starting January 1, 2008 and ending October 1, 2012. The bonds bear an interest rate of 3.52%. Total interest paid over the course of the 5 year maturity will total \$175,873. Interest paid during FY 2010 was \$31,344.

These bonds are being issued for the purpose of improving a building that will be used by Rabun County, Georgia to carry out its governmental purposes as well as paying the costs of issuing these bonds.

Even though the debt is in the name of the Rabun County Building Authority, payment of the bonds is guaranteed by Rabun County to be paid out of SPLOST #5 and/or property tax levy. Therefore, the debt is shown in the primary government's financial statements as well as the asset.

Annual requirements to amortize this debt are as follows:

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2011	\$ 307,615	\$ 20,874	\$ 328,489
June 30, 2012	318,587	9,902	328,489
June 30, 2013	81,188	934	82,122
Total	<u>\$ 707,390</u>	<u>\$ 31,710</u>	<u>\$ 739,100</u>

There was no long term debt for the Library or Economic Development Authority.

NOTE 7 - INTERGOVERNMENTAL EXPENDITURES

During the year, SPLOST#5 distributed \$406,722 to the City of Clayton. Per the resolution adopted by voters on March 20, 2007, a total of at least \$3,708,000 was to be collected over a period of up to six years and subsequently distributed to the various municipalities for particular capital projects. As of June 30, 2010, the County has paid out all SPLOST monies required by the adopted resolution to the various municipalities. The distributions for the year ended June 30, 2010 as well as prior years were as follows:

	Prior	Fiscal Year	Total
	Years	2010	
City of Clayton	\$ 1,651,278	\$ 406,722	\$ 2,058,000
City of Dillard	450,000	-	450,000
City of Sky Valley	450,000	-	450,000
Mountain City	300,000	-	300,000
City of Tiger	300,000	-	300,000
City of Tallulah Falls	150,000	-	150,000
Total Distributions to the Municipalities	<u>\$ 3,301,278</u>	<u>\$ 406,722</u>	<u>\$ 3,708,000</u>

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 8 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the ACCG Property and Liability Insurance Fund and the ACCG Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County has not decreased any of its insurance coverage from the prior year and there have been no claims in excess of insurance coverage over the past three years.

The following is a detail of the County's liability coverage:

	<u>Per Occurrence</u>
Law Enforcement Liability	2,000,000
Automobile Liability	2,000,000
Public Officials Liability	2,000,000
Money and Securities	150,000
Depositor's Forgery Bond	150,000
Building Coverage	36,750,504
Building Contents	2,907,159

All coverage's are subject to a per occurrence deductible of \$1,000. There is an annual aggregate of \$4,000,000 that limits the insurance provider's exposure within any given year. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer.

NOTE 9 - DEFINED BENEFIT PENSION PLAN

On July 1, 1996, the County began sponsoring the Association County Commissioners of Georgia Restated Pension Plan for Rabun County Employees (The Plan), which is a defined benefit pension plan. Eligible employees may enter the "Plan" in the first quarter after completion of one year of service. Employees are not required to contribute to the Plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, GA 30339.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Annual Pension Cost: The County's annual pension cost and net pension obligation for the pension plan as of January 1, 2010 (the most current year available) were determined as follows:

Derivation of Net Pension Obligation:

	<u>2010</u>	<u>2009</u>
Net pension Obligation as of the Beginning of the Year	<u>\$ (643,875)</u>	<u>\$ (573,093)</u>
Annual Pension Cost for Prior Year	510,715	447,074
Actual Contributions to Plan for Prior Year	<u>588,601</u>	<u>517,856</u>
Increase in Net Pension Obligation	<u>(77,886)</u>	<u>(70,782)</u>
Net Pension Obligation as of the End of the Year	<u>\$ (721,761)</u>	<u>\$ (643,875)</u>

Derivation of Annual Pension Cost:

	<u>2010</u>	<u>2009</u>
Annual Required Contribution	\$ 546,025	\$ 507,223
Interest on Net Pension Obligation	(55,937)	(49,900)
Amortization of Net Pension Obligation	59,851	53,392
Annual Pension Cost	<u>\$ 549,939</u>	<u>\$ 510,715</u>

Basis of Valuation:

Current Valuation Date	January 1, 2010
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5% to 6.0% Based on Age
Expected Annual Inflation	3.00%
Actuarial Value of assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

Employer Contributions for the Plan Year:

	<u>Year</u>	<u>Amount</u>
Employees are not required to contribute to the Plan	2010	\$ 588,601
	2009	\$ 517,856
	2008	\$ 502,800
	2007	\$ 458,094
	2006	\$ 427,429

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Trend Information for the Plan:

<u>Fiscal Year Beginning</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual County Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
January 1, 2010	\$ 549,939	N/A	N/A	\$ (721,761)
January 1, 2009	510,715	588,601	115%	(643,875)
January 1, 2008	447,074	517,856	116%	(573,093)
January 1, 2007	424,367	502,800	118%	(494,660)
January 1, 2006	375,582	458,094	122%	(412,148)
January 1, 2005	338,879	427,429	126%	(323,598)

Required Supplementary Information Schedule of Funding Progress:

<u>Measurement Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
	(a)	(b)	(b-a)	(a/b)	c	[(b-a)/c]
December 31, 2009	\$ 2,811,120	\$ 5,448,048	\$ 2,636,928	51.6%	\$ 4,340,888	60.7%
December 31, 2008	2,277,476	4,673,006	2,395,530	48.7%	4,025,974	59.5%
December 31, 2007	1,923,573	4,130,740	2,207,167	46.6%	3,924,187	56.2%
December 31, 2006	1,408,092	3,516,993	2,108,901	40.0%	3,517,030	60.0%
December 31, 2005	985,097	3,153,234	2,168,137	31.2%	3,203,547	67.7%
December 31, 2004	599,994	2,558,956	1,958,962	23.4%	2,854,757	68.6%

The administrator has only provided 6 years of financial data as of June 30, 2010.

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

NOTE 10 - DEFINED CONTRIBUTION PLAN

The County approved the adoption of the *Rabun County Matching Thrift Plan, a Defined Contribution Plan*, effective July 1, 1996. The plan is funded exclusively through the purchase of annuity contracts from the Variable Annuity Life Insurance Company (VALIC). The County is required under the "Plan" to match employee contributions of 3% of salary. All employees are eligible for participation in the "Plan". Eligible employees may enter the "Plan" in the first quarter after completion of one year of service. The "Plan" can be amended by a majority vote of the Rabun County Board of Commissioners. Vesting schedule is as follows:

<u>Years of Service</u>	<u>% Vested</u>
1	0%
2	0%
3	100%

Normal retirement age is 60. The "Plan" does not provide for early retirement.

Contributions required under the plan equaled \$122,135. Actual contributions made equaled \$122,135 by the County and \$243,873 by the plan members. The County contributed approximately 33% of all benefits contributed. Total salaries paid for the current year were \$7,153,397 and total covered salaries was \$4,071,162.

The County has no fiduciary responsibilities in relation to this plan, and therefore, is not required to report the financial activity as an expendable trust fund.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In May 2004, the GASB issued Statement No. 43, "Financial Reporting for Other Postemployment Benefit Plans Other Than Pension Plans" and in June 2004, the GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefit Other Than Pension Plans." Statement No. 43 establishes accounting and financial reporting standards for healthcare and other nonpension benefits provided to employees as part of their compensation for services. Employees of Rabun County are eligible to continue their health, dental, vision and life insurance through COBRA at their own expense for a period of up to 18 months. Rabun County does not offer any other post employment benefits aside from pension plans described in Notes 9 & 10.

NOTE 12 - TRANSFERS

The purpose of interfund transfers is to provide financial resources sufficient for ongoing operations. There is no intention to be reimbursed.

Interfund transfers for the year ended June 30, 2010 were as follows:

	Transfers In:				
	Golf Course	Waste Water	E-911 Fund	Solid Waste	Total
Transfers out by the General Fund	\$ 106,000	\$ 200,000	\$ 585,638	\$ 920,067	\$ 1,811,705

NOTE 13 - JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the area, is a member of the Georgia Mountains Regional Development Center (RDC) and is required to pay annual dues there to. Membership in an RDC is required by the official Code of Georgia Annotated (OCGA) Section 50-8-34 that provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from Georgia Mountain Regional Development Center, P.O. Box 1720, Gainesville, Georgia 30503.

NOTE 14 - HOTEL/MOTEL TAX

Hotel/Motel tax collected by the County during the year ending June 30, 2010, was \$47,497. In compliance with OCGA 48-13-93, all of the proceeds were expended on economic development in Fiscal Year 2010.

NOTE 15 - LITIGATION

The County is involved in two disputes involving zoning decisions as well as a dispute involving the propriety of a billboard. The County has not received an Ante Litem Notice on any of the cases although suit has been filed on one of the zoning issues. The County will vigorously defend all of these cases. It is too early to make an assessment on the outcome of these cases, but it should lie in the nature of declaratory and/or equitable relief and should not involve damages other than attorney's fees.

RABUN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 16 - PRIOR PERIOD ADJUSTMENT (PPA)

On July 1, 2009, Rabun County purchased the Rabun County Golf Course from the City of Clayton, Georgia. See Note 17 for more details on the purchase. A prior period adjustment of \$2,405 was required on the Rabun County Golf Course books for Fiscal Year 2010. The details are as follows:

Initial Rabun County cash contribution to the Golf Course's operating fund that was accounted for in the County's books during Fiscal Year 2009 but not recorded in the Golf Course books.	\$ 7,500
Cash on the Golf Course books at the end of Fiscal Year 2009 retained by the City of Clayton, Georgia.	(5,080)
Adjustment to the book value of the Golf Course capital assets	<u>(15)</u>
Net Adjustment	<u><u>\$ 2,405</u></u>

NOTE 17 - PURCHASE OF THE RABUN COUNTY GOLF COURSE

On July 1, 2009, Rabun County purchased the Rabun County Golf Course from the City of Clayton, Georgia. The Rabun County Golf Course land and improvements were purchased for \$1 and other consideration and a right of reversion. In the right of reversion, if the County does not use the property for recreation purposes including the existing golf course and any other service to the general public for a period of no less than (15) years, the property reverts back to the City of Clayton, Georgia. The City of Clayton, Georgia also has the right of first refusal on the sale of the property subsequent to the (15) year reversion period.

The County reports the Golf Course Fund as a proprietary, nonmajor fund.

NOTE 18 - PURCHASE OF THE CITY OF CLAYTON EMERGENCY OFFICES

On July 1, 2009, Rabun County purchased the land and improvements that house the City of Clayton Police Department and emergency services for \$375,000. The purchase price was paid by (3) installments; the first at the date of purchase and the last paid in June 2010.

The County in turn, entered into a lease agreement with the City of Clayton, Georgia, to lease the said premises back to the City of Clayton, Georgia for up to 18 months; starting July 1, 2009 and ending December 31, 2010. If the City of Clayton, Georgia occupies the property after July 1, 2010, the lease terms require a payment of \$1,000 per month for each month occupied thereafter.

RABUN COUNTY, GEORGIA
June 30, 2010

REQUIRED

SUPPLEMENTARY

INFORMATION

**RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,448,117	\$ 15,737,867	\$ 14,775,103	\$ (962,764)
Licenses and Permits	62,100	59,200	48,308	(10,892)
Intergovernmental	635,000	657,790	534,996	(122,794)
Fines and Forfeitures	468,500	405,350	412,525	7,175
Charges for Services	1,625,100	1,891,025	1,429,737	(461,288)
Investment Earnings	140,000	140,000	99,962	(40,038)
Miscellaneous	77,000	69,800	72,902	3,102
Total Revenues	<u>18,455,817</u>	<u>18,961,032</u>	<u>17,373,533</u>	<u>(1,587,499)</u>
EXPENDITURES				
Current Expenditures				
General Government				
General Administration	2,058,300	2,428,062	2,409,560	18,502
Elections	147,174	147,174	131,206	15,968
Board of Commissioners	38,295	37,045	35,385	1,660
Chief Executive	123,426	123,326	121,368	1,958
Clerk Administration	277,186	310,011	305,770	4,241
Tax Commissioner	290,288	289,118	261,163	27,955
Tax Assessors	310,077	310,177	304,931	5,246
Buildings and Properties	428,752	430,277	398,449	31,828
Total General Government	<u>3,673,498</u>	<u>4,075,190</u>	<u>3,967,832</u>	<u>107,358</u>
Judicial				
Clerk of Court	330,615	325,467	312,649	12,818
Probate Court	196,658	195,858	186,486	9,372
Administration of Justice	316,945	316,595	298,955	17,640
District Attorney	134,684	134,684	131,257	3,427
Total Judicial	<u>978,902</u>	<u>972,604</u>	<u>929,347</u>	<u>43,257</u>
Public Health and Welfare				
Dial-A-Ride	138,496	136,826	134,425	2,401
Public Health	327,478	328,478	327,801	677
Public Welfare	63,000	63,000	52,619	10,381
Rabun Hospice	138,500	193,500	87,500	106,000
Program on Aging	366,499	374,375	366,651	7,724
Total Public Health and Welfare	<u>\$ 1,033,973</u>	<u>\$ 1,096,179</u>	<u>\$ 968,996</u>	<u>\$ 127,183</u>

continued....

**RABUN COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

continued....	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Public Safety				
Sheriff	\$ 1,451,379	\$ 1,463,919	\$ 1,319,378	\$ 144,541
Rabun County Jail	1,586,263	1,807,288	1,724,597	82,691
Coroner and Medical Examiner	24,332	26,832	17,647	9,185
Emergency Management Agency	46,266	52,816	43,810	9,006
Fire Department	592,093	600,093	599,897	196
County Marshal	263,288	258,093	254,931	3,162
E-911 Mapping and Addressing	133,411	132,261	129,912	2,349
Drug Task Force	88,908	88,908	84,908	4,000
Emergency Medical Service	1,761,083	1,768,143	1,749,663	18,480
Animal Control	206,000	206,000	206,000	-
Total Public Safety	<u>6,153,023</u>	<u>6,404,353</u>	<u>6,130,743</u>	<u>273,610</u>
Public Works				
Roads & Bridges	<u>2,303,281</u>	<u>2,152,281</u>	<u>1,936,373</u>	<u>215,908</u>
Recreation and Culture				
Civic Center	71,142	114,742	105,381	9,361
Parks and Recreation	498,534	535,395	500,486	34,909
Library	285,678	285,787	285,787	-
Historical Society	5,000	5,000	5,000	-
Total Recreation and Culture	<u>860,354</u>	<u>940,924</u>	<u>896,654</u>	<u>44,270</u>
Housing and Development				
Water & Sewer Auth.	35,000	35,000	35,000	-
Extension Service	34,925	34,820	30,676	4,144
Planning and Development	64,929	65,054	59,054	6,000
Board of Tourism	281,500	284,500	236,833	47,667
Soil Conservation	9,266	9,461	9,072	389
Total Housing and Development	<u>425,620</u>	<u>428,835</u>	<u>370,635</u>	<u>58,200</u>
Debt Service				
Principal	600,000	630,100	620,074	10,026
Interest and paying agent fees	102,000	104,900	95,678	9,222
Total Debt Service	<u>702,000</u>	<u>735,000</u>	<u>715,752</u>	<u>19,248</u>
Total Expenditures	<u>16,130,651</u>	<u>16,805,366</u>	<u>15,916,332</u>	<u>889,034</u>
Excess of Revenues Over Expenditures	<u>2,325,166</u>	<u>2,155,666</u>	<u>1,457,201</u>	<u>(698,465)</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(2,325,166)</u>	<u>(2,155,666)</u>	<u>(1,811,705)</u>	<u>343,961</u>
Net Change in Fund Balance	-	-	(354,504)	(354,504)
FUND BALANCE, Beginning	-	-	11,534,977	11,534,977
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,180,473</u>	<u>\$ 11,180,473</u>

RABUN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2010

NOTE 1 - BUDGETARY INFORMATION

Budgets for the general fund are adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

Expenditures that exceed the amended budget appropriations are considered to be material if they are both greater than \$3,000 and over 1 percent of the department level (the legal level of control).

There were no departments that exceeded the amended budget appropriations for the FY 2010:

RABUN COUNTY, GEORGIA
June 30, 2010

SUPPLEMENTAL
INFORMATION
COMBINING STATEMENTS

AND

SCHEDULES

RABUN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2010

	Confiscated Assets	Jail Fund	Law Library	Juvenile Case Mgt. Fund	Drug Abuse Treatment Edu. Fund	E911 Fund	Hotel/ Motel Tax	TOTAL
ASSETS								
Cash	\$ 5,307	\$ 64,145	\$ 30,067	\$ 3,177	\$ 55,296	\$ 603,585	\$ -	\$ 761,577
Receivables	-	3,107	-	-	964	79,425	-	83,496
TOTAL ASSETS	<u>\$ 5,307</u>	<u>\$ 67,252</u>	<u>\$ 30,067</u>	<u>\$ 3,177</u>	<u>\$ 56,260</u>	<u>\$ 683,010</u>	<u>\$ -</u>	<u>\$ 845,073</u>
LIABILITIES AND FUND BALANCES								
Total Liabilities and Fund Balances	\$ 5,307	\$ 67,252	\$ 30,067	\$ 3,177	\$ 56,260	\$ 683,010	\$ -	\$ 845,073

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
JUNE 30, 2010

	Confiscated Assets	Jail Fund	Law Library	Juvenile Case Mgt. Fund	Drug Abuse Treatment Edu. Fund	E911 Fund	Hotel/Motel Tax	TOTAL
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,497	\$ 47,497
Intergovernmental	-	60,808	12,088	7,516	-	-	-	80,412
Fines and Forfeitures	431	-	-	160	24,409	-	-	25,000
Charges for Services	-	-	-	-	-	362,844	-	362,844
Investment Earnings	47	902	326	27	648	4,714	-	6,664
Total Revenues	478	61,710	12,414	7,703	25,057	367,558	47,497	522,417
EXPENDITURES								
Current								
Judicial	-	-	13,076	7,442	-	-	-	20,518
Public Safety	390	86,332	-	-	41,475	741,342	-	869,539
Housing and Development	-	-	-	-	-	-	47,497	47,497
Total Expenditures	390	86,332	13,076	7,442	41,475	741,342	47,497	937,554
Excess (deficiency) of Revenues Over Expenditures	88	(24,622)	(662)	261	(16,418)	(373,784)	-	(415,137)
OTHER FINANCING SOURCES								
Transfers In	-	-	-	-	-	585,638	-	585,638
Net Change in Fund Balances	88	(24,622)	(662)	261	(16,418)	211,854	-	170,501
FUND BALANCES, Beginning	5,219	91,874	30,729	2,916	72,678	471,156	-	674,572
FUND BALANCES, Ending	\$ 5,307	\$ 67,252	\$ 30,067	\$ 3,177	\$ 56,260	\$ 683,010	\$ -	\$ 845,073

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2010

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash	\$ 171,071	\$ 476,774	\$ 46,494	\$ 3,535	\$ 11,045	\$ 708,919
Taxes Receivable	2,003,338	-	-	-	-	2,003,338
Total Assets	<u>\$ 2,174,409</u>	<u>\$ 476,774</u>	<u>\$ 46,494</u>	<u>\$ 3,535</u>	<u>\$ 11,045</u>	<u>\$ 2,712,257</u>
LIABILITIES						
Due to Others	\$ 2,174,409	\$ 476,774	\$ 46,494	\$ 3,535	\$ 11,045	\$ 2,712,257
Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RABUN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
JUNE 30, 2010

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash, Balance June 30, 2009	\$ 560,077	\$ 277,153	\$ 22,928	\$ 12,802	\$ 16,622	\$ 889,582
Additions	29,845,224	1,400,829	379,639	120,674	62,391	31,808,757
Deletions	(30,234,230)	(1,201,208)	(356,073)	(129,941)	(67,968)	(31,989,420)
Cash, Balance June 30, 2010	171,071	476,774	46,494	3,535	11,045	708,919
Taxes Receivable, June 30, 2009	1,273,054	-	-	-	-	1,273,054
Additions	29,260,533	-	-	-	-	29,260,533
Deletions	(28,530,249)	-	-	-	-	(28,530,249)
Taxes Receivable, June 30, 2010	2,003,338	-	-	-	-	2,003,338
Total Assets	\$ 2,174,409	\$ 476,774	\$ 46,494	\$ 3,535	\$ 11,045	\$ 2,712,257
LIABILITIES						
Due to Others, June 30, 2009	\$ 1,833,131	\$ 277,153	\$ 22,928	\$ 12,802	\$ 16,622	\$ 2,162,636
Additions	59,105,757	1,400,829	379,639	120,674	62,391	61,069,290
Deletions	(58,764,479)	(1,201,208)	(356,073)	(129,941)	(67,968)	(60,519,669)
Due to Others, June 30, 2010	2,174,409	476,774	46,494	3,535	11,045	2,712,257
Total Liabilities	\$ 2,174,409	\$ 476,774	\$ 46,494	\$ 3,535	\$ 11,045	\$ 2,712,257

RABUN COUNTY, GEORGIA
June 30, 2010

ADDITIONAL
SUPPLEMENTARY
INFORMATION

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September 30, 2010

**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF
PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX**

**Honorable Chairman and
Members of the Board of Commissioners
Rabun County, Georgia**

I have audited the accompanying Schedules of Projects Constructed with Special Purpose Local Option Sales Tax for Rabun County, Georgia for the year ended June 30, 2010. These schedules are the responsibility of Rabun County, Georgia's management. My responsibility is to express an opinion on the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedules of Projects Constructed with Special Purpose Local Option Sales Tax were prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and are not intended to be a complete presentation of Rabun County's revenues and expenditures.

In my opinion, the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax referred to above present fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Rabun County, Georgia's resolution or ordinance calling for the tax for the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountant

**SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST #4)
For the year ended June 30, 2010**

PROJECT	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Years	Total
Roads, Streets and Bridges	\$ 6,750,000	\$ 6,750,000	\$ 1,045,576	\$ 742,854	\$ 1,788,430
County Jail	4,000,000	4,000,000	6,665,408	-	6,665,408
Recreational Facilities	4,000,000	4,000,000	4,162,566	-	4,162,566
County Administration	1,000,000	1,000,000	1,095,213	-	1,095,213
Fire Fighting Equipment	250,000	250,000	250,000	-	250,000
Total	\$16,000,000	\$16,000,000	\$13,218,763	\$ 742,854	\$ 13,961,617

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting

Note B: On August 20, 2002, the Special One Percent Sales Tax IV was approved by voters in Rabun County with funds to be specifically used for:

- 1) Roads, Streets & Bridges
- 2) County Jail
- 3) Recreational Facilities
- 4) County Administration Building to house courthouse records
- 5) Fire Fighting Equipment

RABUN COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST #5)
For the year ended June 30, 2010

PROJECT	Estimated Cost			Expenditures					Total
	Original	Current	Prior Years Before Adj.	Adjustments	Prior Years	Current Years	Total		
Roads, Streets and Bridges	\$ 7,541,850	\$ 7,541,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Hospital Building	3,500,000	3,500,000	173,115	1,396,207 *	1,569,322	-	-	1,569,322	
Multipurpose Arena	1,500,000	1,500,000	381,584	-	381,584	813,723	-	1,195,307	
Health Department	1,000,000	1,000,000	692,270	(508)	691,762	7,878	-	699,640	
Fire Fighting Equipment	1,000,000	1,000,000	-	-	-	622	-	622	
Courthouse	900,000	900,000	725,322	(4,286)	721,036	37,832	-	758,868	
Municipal Projects									
City of Clayton	2,058,000	2,058,000	1,651,278	-	1,651,278	406,722	-	2,058,000	
City of Dillard	450,000	450,000	450,000	-	450,000	-	-	450,000	
City of Sky Valley	450,000	450,000	450,000	-	450,000	-	-	450,000	
Mountain City	300,000	300,000	300,000	-	300,000	-	-	300,000	
City of Tiger	300,000	300,000	300,000	-	300,000	-	-	300,000	
City of Tallulah Falls	150,000	150,000	150,000	-	150,000	-	-	150,000	
Total	\$19,149,850	\$19,149,850	\$ 5,273,569	\$ 1,391,413	\$ 6,664,982	\$1,266,777	\$ -	\$ 7,931,759	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting

Note B: On March 20, 2007, the Special One Percent Sales Tax V was approved by voters in Rabun County with funds to be specifically used for:

- 1) Roads, Streets & Bridges
- 2) Hospital Building Refurbishment
- 3) Multipurpose Arena
- 4) Courthouse Retrofit
- 5) Health Department Retrofit
- 6) Fire Department Capital Outlay
- 7) Other Municipal Projects for the Cities of Clayton, Dillard, Sky Valley, Mountain City, Tiger and Tallulah Falls

Note C: Interest and paying agent fees amounted to \$229,099 for the year ended June 30, 2010

Note D: Debt incurred to finance above projects will be paid back from future SPLOST proceeds. See Note 6 on pages 34-37.

* The prior years' amount has been adjusted to account for expenditures from proceeds of the Rabun County Building Authority 2007 Revenue Bonds. These Bonds will be paid from future SPLOST proceeds, per SPLOST resolution. See Note 6 page 37 for further details.

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September 30, 2010

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

**Honorable Chairman and
Members of the Board of Commissioners
Rabun County, Georgia**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rabun County, Georgia as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, and have issued my report thereon dated September 30, 2010. I did not audit the financial statements of the Rabun County Health Department, a non-major component unit, as of and for the year then ended June 30, 2010, which statements reflect total assets of \$616,596 as of June 30, 2010, and total revenues of \$787,237, for the year then ended. These financial statements were audited by another auditor whose reports have been furnished to me and my opinion on the basic financial statements, insofar as it relates to the amounts included for the Rabun County Health Department, is based solely on the reports of the other auditor. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Rabun County, Georgia's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rabun County, Georgia's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Honorable Chairman and Members of the Board of Commissioners and others within the organization, federal awarding agencies and pass-thru entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

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October 19, 2010

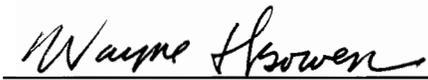
Independent Accountant's Report

I have examined management's assertion included in the accompanying Annual Report of 9-1-1 Collections and Expenditures about Rabun County's compliance during the fiscal year ended June 30, 2010 with the requirement to expend 9-1-1 funds in compliance with the expenditure requirements of the Official Code of Georgia Annotated, Section 46-5-134. Management is responsible for Rabun County's compliance with this requirement. My responsibility is to express an opinion on management's assertion about Rabun County's compliance based on my examination.

My examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Rabun County's compliance with this requirement and performing such other procedures as I considered necessary in the circumstances. I believe that my examination provides a reasonable basis for my opinion. My examination does not provide a legal determination on Rabun County's compliance with the specified requirement.

In my opinion, management's assertion that Rabun County complied with the aforementioned requirement during the fiscal year ended June 30, 2010 is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Georgia Department of Audits and Accounts and is not intended to be and should not be used by anyone other than the specified parties.



Certified Public Accountant

Rabun County
Annual Report of 9-1-1 Collections and Expenditures
For Year Ended: June 30, 2010

Line No.	O.C.G.A. Reference:	
1 Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
<input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund		
2	46-5-134(a)(1)	\$ <u>1.50</u>
3		\$ <u>189,782</u>
4 Does 9-1-1 system provide automatic number identification of a wireless telecommunications connection? (choose one)		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
5 If the answer to Line 4 is "yes", indicate below which of the following apply (choose one)		
<input checked="" type="checkbox"/> System provides location of base station or cell site		
<input type="checkbox"/> System provides automatic location identification		
6	46-5-134(a)(2)	\$ <u>1.50</u>
7		\$ <u>173,062</u>
8		\$ <u>362,844</u>
9 Additional revenue sources:		
9a	46-5-134(j)	
Identify each funding agency individually. Attach list, if necessary.		
		\$ _____
		\$ _____
9b	46-5-134(j)	
Identify each funding agency individually. Attach list, if necessary.		
		\$ _____
		\$ _____
9c	46-5-134(j)	
Identify each unit of local government individually. Attach list, if necessary.		
		\$ _____
		\$ _____
9d	46-5-134(j)	
Identify each private source individually. Attach list, if necessary.		
		\$ _____
		\$ _____

Rabun County
Annual Report of 9-1-1 Collections and Expenditures
For Year Ended: June 30, 2010

Line No.	O.C.G.A. Reference:	\$
17 Cost of training of employees who work as dispatchers	46-5-134(f)(3)	195
18 Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(4)	27,516
19a Building used as a public safety answering point:		
19a1 Lease costs	46-5-134(f)(5)	_____
19a2 Purchase costs	46-5-134(f)(5)	_____
19b Has the local government completed its street addressing plan? (choose one)	46-5-134(f)(5)	_____
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
20 Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems:		
20a Lease costs	46-5-134(f)(6)	_____
20b Purchase costs	46-5-134(f)(6)	_____
20c Maintenance costs	46-5-134(f)(6)	_____
21 Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(7)	13,196
22 Logging recorders used at a public safety answering point to record telephone and radio traffic:		
22a Lease costs	46-5-134(f)(8)	_____
22b Purchase costs	46-5-134(f)(8)	_____
22c Maintenance costs	46-5-134(f)(8)	_____
23 Other expenditures not included in Lines 13 through 22 above. Identify by object and purpose. Transfers to other funds of the local government should be reported on Line 26 and not included here.		
Utilities		5,329
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
24 Total Expenditures (total of all amounts reported on Lines 13 through 23 above)		<u>741,342</u>

Rabun County
Annual Report of 9-1-1 Collections and Expenditures
For Year Ended: June 30, 2010

Line No.	<u>O.C.G.A.</u> <u>Reference:</u>		\$
25		Transfers From Other Funds (identify by fund)	
		<u>Rabun County General Fund</u>	\$ <u>585,638</u>
		_____	\$ _____
26		Transfers To Other Funds (identify by fund)	
		_____	\$ _____
		_____	\$ _____
27		Proceeds from Capital Lease (identify by asset class and, if equipment, purpose)	
		_____	\$ _____
		_____	\$ _____
28		Net Change in Fund Balance (Line 12 - Line 24 + Line 25 - Line 26 + Line 27)	\$ <u>211,854</u>
29		Fund Balance - Beginning of Year	\$ <u>471,156</u>
30		Fund Balance - End of Year	\$ <u>683,010</u>
31a		Do amounts on Lines 12, 24, 28, 29, and 30 agree to amounts reported in the government's audited financial statements submitted to the Georgia Department of Audits and Accounts?	
		<u>X</u> Yes _____ No	
31b		If the answer to Line 31a is "no", provide explanation (including amounts) to reconcile each line item specified in Line 31a above to government's audited financial statements. Reconciliation should be attached to this report.	

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official Virgil L. Kilby Date 10-19-10

Print Name of Chief Elected Official Virgil L. Kilby

Title of Chief Elected Official chairman

Signature of Chief Financial Officer Debra J. Jacobs Date 10-19-10

Print Name of Chief Financial Officer Debra J. Jacobs